

**AMENDMENT TO H.R.**  
**OFFERED BY M .**

**(Amendments to Patient Safety and Quality Improvement Act)**

**(Page & line nos. refer to BILIRA.015 print of February 11,  
2003, 3:46 pm)**

Page 24, line 11, strike “fiscal years 2004 through  
2013” and insert “fiscal years 2004 through 2008”.

Add at the end the following:

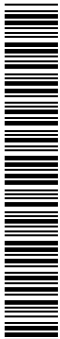
1 **SEC. 6. GRANTS FOR ELECTRONIC PRESCRIPTION PRO-**  
2 **GRAMS.**

3 (a) GRANTS.—

4 (1) IN GENERAL.—The Secretary of Health and  
5 Human Services (in this section referred to as the  
6 “Secretary”) may make grants to qualified practi-  
7 tioners for the purpose of establishing electronic pre-  
8 scription programs.

9 (2) MATCHING FUNDS.—

10 (A) IN GENERAL.—With respect to the  
11 costs of establishing an electronic prescription  
12 program, a condition for the receipt of a grant  
13 under paragraph (1) is that the qualified practi-  
14 tioner involved agree to make available (directly  
15 or through donations from public or private en-  
16 tities) non-Federal contributions toward such



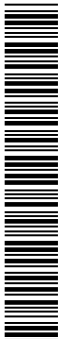
1 costs in an amount that is not less than 50 per-  
2 cent of such costs.

3 (B) DETERMINATION OF AMOUNT CON-  
4 TRIBUTED.—Non-Federal contributions re-  
5 quired in subparagraph (A) may be in cash or  
6 in kind, fairly evaluated, including equipment or  
7 services. Amounts provided by the Federal Gov-  
8 ernment, or services assisted or subsidized to  
9 any significant extent by the Federal Govern-  
10 ment, may not be included in determining the  
11 amount of such non-Federal contributions.

12 (b) STUDY.—

13 (1) IN GENERAL.—The Secretary, acting  
14 through the Director of the Agency for Healthcare  
15 Research and Quality, shall support a study to as-  
16 sess existing scientific evidence regarding the effec-  
17 tiveness and cost-effectiveness of the use of elec-  
18 tronic prescription programs intended to improve the  
19 efficiency of prescription ordering and the safe and  
20 effective use of prescription drugs. The study shall  
21 address the following:

22 (A) The ability of such programs to reduce  
23 medical errors and improve the quality and  
24 safety of patient care.



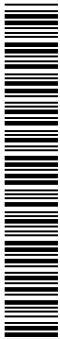
1 (B) The impact of the use of such pro-  
2 grams on physicians, pharmacists, and patients,  
3 including such factors as direct and indirect  
4 costs, changes in productivity, and satisfaction.

5 (C) The effectiveness of strategies for over-  
6 coming barriers to the use of electronic pre-  
7 scription programs.

8 (2) REPORT.—The Secretary shall ensure that,  
9 not later than 18 months after the date of the enact-  
10 ment of this Act, a report containing the findings of  
11 the study under paragraph (1) is submitted to the  
12 appropriate committees of the Congress.

13 (3) DISSEMINATION OF FINDINGS.—The Sec-  
14 retary shall disseminate the findings of the study  
15 under paragraph (1) to appropriate public and pri-  
16 vate entities.

17 (c) DEVELOPMENT OF MODEL.—The Secretary, act-  
18 ing through the Director of the Agency for Healthcare Re-  
19 search and Quality, may develop an Internet-based mathe-  
20 matical model that simulates the cost and effectiveness of  
21 electronic prescription programs for qualified practi-  
22 tioners. The model may be designed to allow qualified  
23 practitioners to estimate, through an interactive interface,  
24 the impact of electronic prescribing on their practices, in-  
25 cluding the reduction in drug-related health care errors.



1 (d) DEFINITIONS.—For purposes of this section:

2 (1) The term “electronic prescription  
3 program”—

4 (A) means a program for the electronic  
5 submission and processing of prescriptions; and

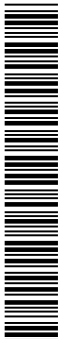
6 (B) includes the hardware (including com-  
7 puters and other electronic devices) and soft-  
8 ware programs for the electronic submission of  
9 prescriptions to pharmacies, the processing of  
10 such submissions by pharmacies, and decision-  
11 support programs.

12 (2) The term “qualified practitioner” means a  
13 practitioner licensed by law to administer or dis-  
14 pense prescription drugs.

15 **SEC. 7. GRANTS TO HOSPITALS AND OTHER HEALTH CARE**  
16 **PROVIDERS FOR INFORMATION TECH-**  
17 **NOLOGIES.**

18 (a) IN GENERAL.—The Secretary of Health and  
19 Human Services (in this section referred to as the “Sec-  
20 retary”) shall make grants to hospitals and other health  
21 care providers (but not more than 1 grant to any 1 hos-  
22 pital or provider) to pay the costs of acquiring or imple-  
23 menting information technologies whose purposes are—

24 (1) to improve quality of care and patient safe-  
25 ty; and



1 (2) to reduce adverse events and health care  
2 complications resulting from medication errors.

3 (b) SPECIAL CONSIDERATION.—In making grants  
4 under subsection (a), the Secretary shall give special con-  
5 sideration to applicants who seek to promote the following:

6 (1) Interoperability across hospital services or  
7 departments using standards developed or adopted  
8 by the Secretary under section 4.

9 (2) Electronic communication of patient data  
10 across the spectrum of health care delivery.

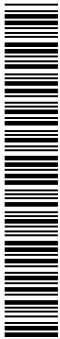
11 (3) Computerized physician order entry or bar  
12 coding applications.

13 (4) Electronic communication of patient data in  
14 hospitals that provide services to underserved or low-  
15 income populations.

16 (5) Improved clinical decisionmaking through  
17 acquisition and implementation of decision-support  
18 technologies.

19 (c) CERTAIN GRANT CONDITIONS.—A condition for  
20 the receipt of a grant under subsection (a) is that the ap-  
21 plicant involved meet the following requirements:

22 (1) The applicant agrees to carry out a pro-  
23 gram to measure, analyze, and report patient safety  
24 and medical errors at the hospital or other health  
25 care provider involved, to submit to the Secretary a



1 description of the methodology that will be used, and  
2 to have such program in effect as soon as prac-  
3 ticable after the application for the grant is ap-  
4 proved, without regard to whether information tech-  
5 nologies under the grant have been implemented.

6 (2) The applicant has arranged for an evalua-  
7 tion that addresses the effectiveness and cost-effec-  
8 tiveness of the information technology for which the  
9 grant is provided and its impact on the quality and  
10 safety of patient care, submitted the evaluation plan  
11 to the Secretary, and received approval from the  
12 Secretary of the applicant's methodology.

13 (3) The applicant has or is developing a patient  
14 safety evaluation system (as that term is defined in  
15 section 921 of the Public Health Service Act (as  
16 amended by section 3)) for reporting health care er-  
17 rors to a patient safety organization.

18 (4) The applicant agrees to provide the Sec-  
19 retary with such information as the Secretary may  
20 require regarding the use of funds under this pro-  
21 gram or its impact.

22 (5) The applicant provides assurances satisfac-  
23 tory to the Secretary that any information tech-  
24 nology planned, acquired, or implemented with grant



1 funds under this section will be part of an informa-  
2 tion program that—

3 (A) carries out the purposes described in  
4 subsection (a); and

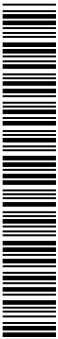
5 (B) is comprehensive or will be expanded  
6 to become comprehensive, regardless of whether  
7 Federal assistance is available for such expan-  
8 sion.

9 (d) TECHNICAL ASSISTANCE TO GRANTEES.—The  
10 Secretary, acting through the Director of the Agency for  
11 Healthcare Research and Quality, shall provide technical  
12 assistance to applicants and grantees to ensure the appro-  
13 priate evaluation of the information technologies for which  
14 grants are awarded under this section, such as—

15 (1) reviewing and providing technical assistance  
16 on the applicant's proposed evaluation;

17 (2) developing mechanisms to ensure ongoing  
18 communications between grantees and evaluators to  
19 facilitate the identification and resolution of prob-  
20 lems as they arise, ensure mutual learning, and pro-  
21 mote the rapid dissemination of information;

22 (3) reviewing the interim and final reports re-  
23 quired under subsection (e); and



1 (4) disseminating evidence-based information in  
2 interim and final reports to patient safety organiza-  
3 tions, as appropriate.

4 (e) EVALUATION REPORTS BY GRANTEE.—A condi-  
5 tion for the receipt of a grant under subsection (a) is that  
6 the applicant agree to submit an interim and a final report  
7 to the Secretary in accordance with this subsection.

8 (1) INTERIM REPORT.—Not later than 1 year  
9 after the implementation of information technologies  
10 under the grant is completed, the applicant will sub-  
11 mit an interim report to the Secretary describing the  
12 initial effectiveness of such technologies in carrying  
13 out the purposes described in subsection (a).

14 (2) FINAL REPORT.—Not later than 3 years  
15 after the implementation of information technologies  
16 under the grant is completed, the applicant will sub-  
17 mit a final report to the Secretary describing the ef-  
18 fectiveness and cost-effectiveness of such tech-  
19 nologies and addressing other issues determined to  
20 be important in carrying out the purposes described  
21 in subsection (a).

22 (3) RELATION TO DISBURSEMENT OF GRANT.—  
23 In disbursing a grant under subsection (a), the Sec-  
24 retary shall withhold  $\frac{1}{3}$  of the grant until the grant-





1 ee submits to the Secretary the report required in  
2 paragraph (1).

3 (f) REPORTS BY SECRETARY.—

4 (1) INTERIM REPORTS.—

5 (A) IN GENERAL.—Through the fiscal year  
6 preceding the fiscal year in which the final re-  
7 port under paragraph (2) is prepared, the Sec-  
8 retary shall submit to the Committee on Energy  
9 and Commerce of the House of Representatives  
10 and the Committee on Health, Education,  
11 Labor, and Pensions of the Senate periodic re-  
12 ports on the grant program under subsection  
13 (a). Such reports shall be submitted not less  
14 frequently than once each fiscal year, beginning  
15 with fiscal year 2004.

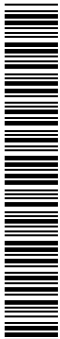
16 (B) CONTENTS.—A report under subpara-  
17 graph (A) shall include information on—

18 (i) the number of grants made;

19 (ii) the nature of the projects for  
20 which funding is provided under the grant  
21 program;

22 (iii) the geographic distribution of  
23 grant recipients; and

24 (iv) such other matters as the Sec-  
25 retary determines appropriate.



1           (2) FINAL REPORT.—Not later than 180 days  
2       after the date on which the last of the reports is due  
3       under subsection (e)(2), the Secretary shall submit  
4       a final report to the committees referred to in para-  
5       graph (1)(A) on the grant program under subsection  
6       (a), together with such recommendations for legisla-  
7       tion and administrative action as the Secretary de-  
8       termines appropriate.

9       (g) DEFINITIONS.—For purposes of this section:

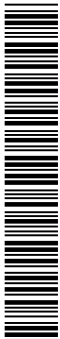
10           (1) The term “costs”, with respect to informa-  
11       tion technologies referred to in subsection (a), in-  
12       cludes total expenditures incurred for—

13               (A) purchasing, leasing, and installing  
14       computer software and hardware, including  
15       hand-held computer technologies;

16               (B) making improvements to existing com-  
17       puter software and hardware; and

18               (C) purchasing or leasing communications  
19       capabilities necessary for clinical data access,  
20       storage, and exchange.

21           (2) The term “health care provider” has the  
22       same meaning given to the term “provider” in sec-  
23       tion 921 of the Public Health Services Act (as  
24       amended by this Act).



1 (h) TERMINATION OF GRANT AUTHORITIES.—The  
2 authority of the Secretary to make grants under sub-  
3 section (a) terminates upon the expiration of fiscal year  
4 2011.

5 (i) MATCHING FUNDS.—

6 (1) IN GENERAL.—With respect to the costs of  
7 a grant to be carried out under this section, such  
8 grant may be made only if the applicant agrees to  
9 make available (directly or through donations from  
10 public or private entities) non-Federal contributions  
11 toward such costs in an amount that is not less than  
12 50 percent of such costs (\$1 for each \$1 of Federal  
13 funds provided in the grant).

14 (2) DETERMINATION OF AMOUNTS CONTRIB-  
15 UTED.—Amounts provided by the Federal Govern-  
16 ment, or services assisted or subsidized to any sig-  
17 nificant extent by the Federal Government, may not  
18 be included in determining the amount of such non-  
19 Federal contributions.

20 **SEC. 8. AUTHORIZATION OF APPROPRIATIONS FOR GRANTS**  
21 **UNDER SECTIONS 6 AND 7.**

22 For the purpose of carrying out sections 6 and 7,  
23 there are authorized to be appropriated \$25,000,000 for  
24 each of fiscal years 2004 and 2005.

